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SUBJECT: Public Law 85-507

modification, Section 7 should be acceptable to CIA and meet its requirements for security control.

4. The Bureau stated that if the Agency (CIA) is exempted from the regulatory authority of the Civil Service Commission in connection with the act, the discretions in connection with the general requirements for the Agency's training program authorized in Section 8 would be entirely exercised by the Director. His decisions as to what was practicable, necessary or appropriate would, of course, be governed by his knowledge of Agency requirements. It therefore does not appear essential that the Agency (CIA) be exempted from Section 8 of the act. I feel that we should agree to this proposal, and Section 8 therefore would merely mean that the Director will decide how the training shall be conducted and by, in, and through those Government facilities acceptable to him within his regulatory authority.

5. The Bureau of the Budget suggests that in subsection 9 (b) of the act, the provision numbered (1) appears to be the only portion of the subsection which would appear inappropriate for CIA. The Bureau can see no benefit from exceptions from other portions of the subsection. Subsection 9(b) (1) requires that each department will "provide for information to be made available to employees of such department with respect to the selection and assignment of such employees for training by, in, and through non-Government facilities and the limitations and restrictions applicable to such training in accordance with this act." With exemption from this provision, CIA would follow the procedure presently in effect.

6. The Bureau of the Budget recommends that we go along with Section 19(c) with respect to travel, subsistence, and other payments. Normally the Agency operates in this manner and as prescribed by standardized Government travel regulations. However, under certain conditions members of the DD/P who require official cover for outside training can be provided with expenses through the Agency's independent authority under Public Law 81-110. It is therefore recommended that CIA accept the suggestion of the Acting Director of the Bureau of the Budget in this regard.

7. The last item refers to Section 23(a) which provides for regulation by the Director of the Bureau of the Budget in regard to absorption of training costs. Since it appears that the Director of the Bureau has made a rather firm commitment to the House Committee respecting maximum absorption of

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costs without additional appropriations, it would appear that our advanced budget planning should provide for our needs in this regard and we should withdraw our request for exception from this Section.

8. If you are in agreement with the suggestions made by the Acting Director of the Bureau of the Budget, the Office of the General Counsel is prepared to draft an Executive order and an appropriate statement in explanation of the proposed order and forward same to the Bureau of the Budget.

SIGNED

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